

## Message Text

LIMITED OFFICIAL USE

PAGE 01 MANILA 09208 020511Z

13

ACTION EA-14

INFO OCT-01 ISO-00 SP-03 AID-20 EB-11 NSC-07 RSC-01

CIEP-03 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-03 INR-11 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 L-03 H-03 INT-08 AGR-20 DRC-01 /166 W

----- 073888

R 020433Z AUG 74

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 5723

INFO AMEMBASSY JAKARTA

AMEMBASSY KUALA LUMPUR

AMEMBASSY SEOUL

AMEMBASSY SINGAPORE

AMEMBASSY TAIPEI

AMEMBASSY TOKYO

LIMITED OFFICIAL USE MANILA 9208

E.O. 11652: N/A

TAGS: ECON, EIND, RP

SUBJECT: GOP PLANS TO ASSIST PLYWOOD INDUSTRY

1. DETERIORATING POSITION OF PHILIPPINE PLYWOOD  
INDUSTRY DUE TO SLUMP IN EXTERNAL DEMAND HAS LED PRESIDENT  
MARCOS TO ANNOUNCE THAT GOP IS CONSIDERING  
SIX POSSIBLE STEPS TO ASSIST THE INDUSTRY.

2. THE SIX STEPS THE GOP IS CONSIDERING TAKING ARE--

A. ASSISTANCE ON DISPOSAL OF PLYWOOD IN NEW MARKETS,  
E.G., THE MIDDLE EAST.

B. GOP PURCHASES OF PLYWOOD

C. ACCELERATION OF PUBLIC BUILDING PROGRAM.

D. POSSIBLE USE (TO BE STUDIED BY GOVERNMENT FINANCING  
INSTITUTIONS) OF LOW INTEREST LOANS TO FINANCE  
INVENTORIES.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MANILA 09208 020511Z

E. POSSIBLE REVISIONS (TO BE CONSIDERED BY FINANCE) OF

EXPORT TAX AND PREMIUM DUTIES ON PLYWOOD, WITH VIEW TO LOWERING EFFECTIVE EXPORT PRICES.

F. POSSIBLE ADOPTION OF REGULATIONS ALLOWING MANUFACTURERS TO SHIP PLYWOOD ON CONSIGNMENT TO WAREHOUSES IN THE UNITED STATES (UNDER CONSIDERATION BY CENTRAL BANK).

3. PRESIDENT MARCOS MADE HIS ANNOUNCEMENT IN A SPEECH AUGUST 1 TO THE 14TH ANNUAL ASSEMBLY OF THE PHILIPPINE LUMBERMEN HELD IN PASAY CITY. IN HIS TALK THE PRESIDENT POINTED OUT THAT THE GOVERNMENT HAS ALWAYS STEPPED IN TO HELP WHENEVER NECESSARY TO PROTECT INTERESTS OF EXPORT PRODUCERS. HE CITED CASE OF SUGAR AND, RECENTLY, COCONUT OIL, AND NOW WOOD PRODUCTS.

4. PLYWOOD INVENTORIES REPORTEDLY REPRESENT MORE THAN THREE MONTHS OF PRODUCTION AND TOTAL SOME \$12 MILLION. THREE LARGEST PLYWOOD FACTORIES--SARMIENTO, ALCANTARA AND SANTA ANA--HAVE BEEN WORKING SHORT WEEKS AND ARE ON THE VERGE OF SHUTDOWN. THESE THREE IN DAVAO EMPLOY SOME 5,200 WORKERS. THEY AND OTHERS HAVE ALREADY TOLD THE GOVERNMENT THEY WILL HAVE TO SHUT DOWN.

5. PRESIDENT MARCOS ALSO SAID HE HAS ASKED SECRETARY OF FOREIGN AFFAIRS TO STUDY PROPOSAL THAT ASEAN COUNTRIES GET TOGETHER AND COORDINATE THEIR POLICIES IN ORDER TO STABILIZE WOOD PRODUCTS MARKET. ONCE THIS IS DONE, HE EXPRESSED HOPE THAT OTHER PRODUCERS (PRESUMABLY TAIWAN, JAPAN AND KOREA) WOULD PARTICIPATE IN A SIMILAR PLAN OF STABILIZATION.

6. COMMENT. PRESIDENT ACKNOWLEDGED THAT DECREASED DEMAND IN UNITED STATES AND JAPAN WAS PRIMARY CAUSE OF DECLINE IN SALES AND INCREASE IN INVENTORIES. THESE HAVE LED TO DRASTIC CUTS IN PRODUCTION IN KOREA (40 PERCENT), MALAYSIA (50 PERCENT) AND TAIWAN BY UNKNOWN PERCENTAGE. PRESIDENT'S DECISION TO INTERVENE UNDERSCORES INCREASING TENDENCY OF GOP TO TAKE DIRECT ROLE IN MANAGING SECTORS OF ECONOMY WHERE PROBLEMS ARISE, A MATTER CAUSING SOME UNEASINESS TO BOTH FOREIGN AND FILIPINO BUSINESSMEN.  
SULLIVAN

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MANILA 09208 020511Z

LIMITED OFFICIAL USE

NNN



## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LUMBER, WOOD PRODUCTS, INDUSTRY, ECONOMIC CONDITIONS, ECONOMIC PROGRAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 02 AUG 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** boyleja  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974MANILA09208  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740210-0535  
**From:** MANILA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740879/aaaacpwm.tel  
**Line Count:** 107  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** boyleja  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 24 JUL 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <24 JUL 2002 by elyme>; APPROVED <25 FEB 2003 by boyleja>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GOP PLANS TO ASSIST PLYWOOD INDUSTRY  
**TAGS:** ECON, EIND, RP  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005